

BIDS SHALL BE PUBLICLY OPENED AT 11:00 A.M., PREVAILING WASHINGTON, D.C. TIME, ON AUGUST 23, 2004.

IF YOU HAVE ANY QUESTIONS CONCERNING THESE SPECIFICATIONS CALL (202) 512-2044 AND ASK FOR FRANK YATOR. NO COLLECT CALLS.

U.S. Government Printing Office (GPO) Specifications, Washington, D.C.

GPO CONTRACT TERMS: Any contract which results from this Invitation for Bid will be subject to GPO Contract Terms (GPO Publication 310.2, effective December 1, 1987 (Rev. 6-01)) and Quality Assurance Through Attributes Program for Printing and Binding (GPO Publication 310.1, effective May 1979 (Rev. 8-02)).

SPECIFICATIONS FOR CONTRACT PRINTING AND BINDING OF CIRCULAR A
AGRICULTURAL EMPLOYERS TAX GUIDE (PUB 51, REV. JANUARY, 2005).

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SCOPE: These specifications cover printing and binding of 383,210 copies of a FIFTY-SIX (56) page, self-cover pamphlet; NCOA processing; labeling/addressing; packing, assembling by ZIP Code (staging), and turnover for mailing of approximately 331,431 pamphlets. Carrier route sorting required 51,779 pamphlets (unaddressed) will require

packing for bulk shipments.

NOTE: Due to the numerous exhibits pages in this specification, the exhibits will not be put on the **Internet**. A complete copy of the specifications may be obtained from the bid room by request. Telephone 202-512-0526.

CHANGES IN QUANTITY: The Government, for the FINAL QUANTITY, may submit increases or decreases of up to 25% of the pamphlet and envelope quantities shown in Exhibit 1 until the dates specified in the schedule. These quantity adjustments may be made by updates to Exhibit 1 or by telephone, and will be the final quantity *prior to deducting the NCOA undeliverables*, (see section 5.1.2). These adjustments will not change the scheduled turnover to USPS dates. Billing adjustments for scheduled quantity changes (+ or -) *and for subtraction of undeliverables*, will be at the contractor's quoted "ADDITIONAL RATE" (see Offers Section). If no changes have been received by the scheduled date for final quantity adjustments, the bid quantities will stand as the final contract quantity.

NOTE: Must be full Final Quantity to all consignees. No shortages or overruns will be allowed.

Section 1 - SCHEDULE

| <u>Date</u> | <u>Event</u> |
|-------------|--------------------------------------------------------------------------------------------------------------------|
| 08-23-04 | Bid opening. |
| 08-30-04 | Award of contract. (Purchase Order Number by phone) |
| 09-14-04 | Security Letter (See Sec. 5.11). |
| 11-15-04 | Test Cartridges to Contractor. |
| 11-30-04 | Final day Government may make quantity adjustments (may be by telephone). |
| 11-30-04 | Furnished cartridges to contractor. |
| 12-02-04 | Drop shipment plan due. |
| 12-13-04 | Electronic media/disk for pamphlet available. |
| 12-16-04 | Blue line proofs for approval |
| 12-27-04 | Complete turnover of pamphlets to Postal Service. |
| 12-28-04 | Complete bulk shipments. |
| 01-10-05 | Contractor must return furnished address cartridges to IRS (See Section 2.1.1). |
| 01-10-05 | Contractor must submit postage summary report (See Section 1.6), and copies of all PS Form 3602 (See Section 1.5). |

The Government will attempt to meet the schedules as stated in these specifications. However, uncontrollable circumstances such as Congressional Legislation may delay the furnishing of printing media. In such event, the schedule will be adjusted in accordance with contract terms.

Unscheduled material such as delivery lists, receipts or instructions, labels, etc., will be furnished with the order or shortly thereafter. In the event such information is not received in due time, the contractor will not be relieved of any responsibility in meeting the shipping schedule because of failure to request such information.

1.1 A preaward plant survey may be conducted by Government Printing Office and Internal Revenue Service personnel to determine if the prospective contractor (and his subcontractors) have adequate facilities and expertise to accomplish the requirements of these specifications.

1.2 A preproduction conference will be held at the contractor's plant as indicated in the schedule. The purpose of the conference will be to discuss and review all aspects of the contractor's internal and external operations to complete this contract. Prior to this conference the contractor will submit 2 copies each of detailed written Production and Quality plans. The plans shall be submitted, by the date in the schedule, to the contracting Officer, U.S. Government Printing Office, Stop PPP, Room C-817, Attention: IRS Control Deck, North Capitol & H St. NW, Washington, DC 20401. The proposed Quality plan is subject to Government approval. The contractor will conduct this preproduction conference during which the production plan will be discussed and the previously approved Quality plan will be reviewed in depth. Items to be included in the preproduction plan are: 1) processing and sorting master file magnetic cartridges, as well as the security of the cartridges and taxpayer information, 2) scheduled start up dates for all phases of production, 3) how coordination/ communication will flow from one production phase to another, 4) who will be responsible for each phase, 5) how will subcontractors be involved and kept informed, 6) specific production dates of all subcontractors, 7) how the product will be staged and/or shipped, and 8) any other special requirements which are specific to this contract. Items to be included in the Quality Systems Plan are covered in the Quality Systems Section. Attending this meeting will be representatives from the Internal Revenue Service and there MAT be representatives from the Government Printing Office and USPS Headquarters Office Personnel. To establish coordination of all required operations, a representative of all subcontractors involved should also be present as well as representatives from each involved production area for the primary contractor. It is also required that the contractor has the local Postal Service representative in attendance.

1.3 Quality Systems Audit: In connection with the preproduction conference, should the government elect, a quality systems audit would be conducted. Following the conference, IRS/GPO may conduct an in-depth audit of all contractor quality control methods, quality systems and quality plans in a formal walk-through. This audit would require the contractor to plan, in advance, all quality related functions which would be required to complete the contract. Should subcontractors be involved, a complete audit of their quality systems may also be performed. This procedure will be mandatory for all contractors doing IRS Tax Package work for the first time.

1.4 INSPECTION NOTIFICATION: 72 hours prior to press, pamphlet binding, addressing and mailing operations the contractor must e-mail to Terry.A.Costa@irs.gov and bernard.p.morrison@irs.gov IRS Form 9558 (PDF file will be furnished by the IRS) requiring the following information: 1) Jacket and Requisition Numbers; 2) Name of company; 3) Location and address of inspection site; 4) Name and phone number of contact person; and 5) Date and time of inspection. Whether IRS elects to be present for the inspection, or waive the inspection, you will be notified at least 24 hours prior to the time for inspection. **If the press inspection is waived, the contractor is required to send 5 press sheet samples overnight to Terry Costa, 1111 Constitution Ave. NW, Washington, DC 20224, Room 6230.** If IRS fails to respond, proceed, as you would have, had there not been an inspection. Attendance at, or waiver of, the inspection does not affect any other provisions of the contract. Do not hold up production unless specifically authorized by the GPO.

1.5 MAILING VERIFICATION: The contractor is required to complete and submit via e-mail Form 13456 to the IRS within three days of the barrel stamp date on the postage statement. For your convenience, Form 13456 is provided as a fillable PDF file. The IRS will complete the top portion of the form prior to e-mailing the form to the contractor. The contractor is responsible for capturing five data elements from every postage statement (i.e. USPS Form 3602, 3602-R, 3600). The contractor is responsible for the accuracy of the information returned to the IRS. If there is any information missing or incorrect, please contact Paul Morrison at 202- 622-7264.

The contractor *must* update the electronic Form 13456 and submit via e-mail to IRS at postage@publish.no.gov and also e-mail to bernard.p.morrison@irs.gov within three (3) workdays of the barrel stamp date on the postage statement. Any delay or missing input could result in delay of payment.

All postage statements (i.e. USPS Form 3602, 3602-R, 3600) must contain the IRS Agency Cost Code "67039" in the "Federal Agency Cost Code" box. The GPO Jacket Number must be included in the mailer information located in the upper portion of the postage statement.

Faxing USPS Postage Statements: In addition to e-mailing a completed Form 13456, the contractor is also required to FAX all associated postage statements forms to the IRS. The contractor is required to FAX only postage statement forms (i.e. USPS Form 3602, 3602-R, 3600) that have received a barrel stamp from the postal service to 1-267-295-7877 (not a toll free number). The first page of every FAX sent to the IRS must be fully completed IRS Form 13456-A.

The number of pages faxed may not exceed 32 pages in any single fax transmission. The form must contain entries in the following fields: Date, Name of IRS publishing analyst, IRS requisition number, GPO jacket number, GPO contractor number, Name of contractor, Contact person, Telephone number of contact person, Number of pages faxed (*cannot exceed 32 pages including cover sheet*).

Within three (3) workdays of completion of the mailing, the contractor must ship via overnight, traceable means, one complete set of all barrel date stamped postage statements to: IRS, 1111 Constitution Ave. NW, Washington, DC 20224, Room 6230, Attn: Paul Morrison, (202) 622-7264.

1.6 POSTAGE SUMMARY REPORT: (The reports must be submitted **electronically** by the date/s in the schedule, other wise there may be a delay in payment processing). Contractor is required to submit postage summary reports, for each phase, showing the number of pieces and cost of Carrier Route, 3/5 digit, and Basic broken out by Service Center and the grand total in a format similar to the one shown in Exhibit 6. The reports are to be submitted following NCOA processing. E-mail the reports to bernard.p.morrison@irs.gov.

1.7 SHIPPING NOTIFICATION: Contractor must also submit shipping notification on the final day of shipping. E-mail the notification to bernard.p.morrison@irs.gov.

Section 2 - MATERIALS

2.1 FURNISHED BY GOVERNMENT: (1) Electronic text for the pamphlet*, (2) one dummy showing margins, perforations, location of forms and color scheme, (3) address cartridges for individual tax pamphlets - produced in EBCDIC format. Contractors must be capable of reading cartridges utilizing a 36 track format, with data compression, (4) Disk and record layout for POD Distribution, (5) USPS pallets -made available by the USPS upon request, (6) camera copy for printing carton labels, (7) Form 2040 in a PDF fillable Adobe Acrobat 5.0 file format provided via e-mail and (8) One copy of IRS Form 13456, IRS Publishing - Postage Report, in a fillable PDF file format and one copy of IRS Form 13456-A, IRS Publishing Postage Statement - FAX Cover Sheet, in a fillable PDF file format, IRS Form 9558 in a fillable PDF file, provided via e-mail.

Note: Electronic transfer will be via e-mail or File Transfer Protocol (FTP) or Windows formatted 1.44 Megabyte floppy disk or Zip Disk, in Portal Document Format (PDF) generated from Adobe Acrobat 5.0 or later. All fonts will be embedded in the files at the PDF level). **Do not unembed fonts!** This may result in a loss of data. Contractor must have Adobe-Acrobat 5.0 to open the files. Prior to image processing the contractor is responsible for checking files to insure that such features as bleeds, register marks, and correct file output selection have been provided for, so as to correctly output for printing. The contractor must supply necessary trapping. High-resolution image processors must be used if generating films.

2.1.1 DISPOSITION OF FURNISHED MATERIALS: Furnished disk, dummy, (see (1), (2), and (3) above) must be returned by January 10, 2005, to IRS, Attn:Paul Morrison, Room 6230/W:CAR:MP:M:T:M, 1111 Constitution Ave. NW, Washington, DC 20224. Postal Service will advise contractor of disposition of unused postal pallets. The address cartridges supplied by the IRS must be returned by a traceable means at contractor's expense, to: IRS, National Computer Center, 250 Murall Drive, Kearneysville, WV 25430, Attention Tape Library.

2.2 FURNISHED BY CONTRACTOR: All other materials and operations necessary to fulfill the contract requirements, including telephone, facsimile transmission capability, personal computer, internet access and the following:

2.2.1 For Form 13456 and Form 2040: Print contractor is required to have Internet access, provided through their Internet Service Provider (ISP) with e-mail and a web browser equivalent to Internet Explorer 6.0 or Netscape 4.0. The print contractor is also required to have Adobe Acrobat 6.0 (or more recent) software (not Adobe Reader).

2.2.2 Pamphlet Stock: White or Natural (MUST be light shade) Newsprint, basis weight: 28 or 30 lbs. (per 500 sheets 24 x 36"), equal to JCP Code A10, or at contractor's option, White Offset Book, basis weight: 50 lbs. (per 500 sheets, 25 x 38"), equal to JCP Code A60.

2.3 JCP STANDARDS: The specifications of all papers furnished must be in accordance with those listed herein or

listed for the corresponding JCP Code numbers in the "Government Paper Specification Standards No. 11" dated February 1999.

Section 3 - PAMPHLET/LABEL SPECIFICATIONS

3.1 56-pages (including blanks), self cover, print head to head.

3.2 383,210 pamphlets.

3.3 Trim Size: 8-1/4 x 10-7/8" minimum, 8-1/2 x 11" maximum. Trim size of all pamphlets produced must be uniform.

3.4 Ink: Black for all pages.

3.5 Contractor must set and insert a GPO imprint line, per Contract Terms, GPO Publication 310.2 (page 9).

3.6 Image Size: The furnished copy will have a maximum image size of 7-3/8 x 10-1/8".

3.7 Margins: 1/2" head, center left and right.

3.8 Binding: Pamphlets will be bound on long edge using paste on fold or two saddle-wire stitches. Trim three sides.

3.9 Pamphlet Proofs: Submit 2 sets of Dylux, or similar proofs, in book form, as soon as the contractor deems necessary in order to comply with the contract schedule. At contractor's option, digital proofs created using the same Raster Image Processor (RIP) that will be used to produce the product may be furnished. Proofs shall be collated in page sequence with all elements in proper position (not pasted up), imaged face and back and trimmed to the finished size of the product. Dylux proofs shall consist of complete signatures with all illustrations in proper position (not pasted up), and all images imposed in correct location, exposed face and back, folded and trimmed to the finished size of the product. Proofs will be withheld 5 workdays from receipt in the IRS until they are made available for pickup by the contractor. Contractor is not authorized to print prior to his receipt of an approval or conditional approval. Do not return electronic media with proofs.

If any contractor's errors are serious enough in the opinion of the GPO to require revised proofs, the revised proofs are to be provided at no expense to the Government. No extra time can be allowed for this reproofing; such operations must be accomplished within the original production schedule allotted in the specifications.

Submit proofs to: Internal Revenue Service, 1111 Constitution Ave., Room 6230, Attn: Paul Morrison, Washington, D.C. 20224. The container and accompanying documentation must be marked "FORMS/INSTRUCTION PROOFS" and must include the GPO Jacket Number.

3.10 Labels: Contractor will be responsible for producing, on white paper, an estimated 000,000 address labels approximately 4 x 1".*

*At contractor's option, in lieu of addressing and affixing labels, contractor may image addresses directly onto pamphlets (see section 5.3.2 for location of addressing). Addressing must meet postal requirements.

Section 4 – Label Specifications

4.1 Addressing: Contractor will be responsible for producing address labels (white paper with addressing in black using a sans serif typeface) from furnished cartridges. Contractor must be capable of reading cartridges utilizing a 36 track format, with data compression. Address cartridges will be produced in EBCDIC format and will be unedited (data cartridges). A core record layout will be supplied with the cartridges. Test cartridges will be supplied prior to production, as requested.

At contractor's option, in lieu of addressing and affixing labels, contractor may computer image addresses (by either computer line (impact) printers or non-impact printers) directly onto pamphlet in black using a sans serif typeface (see

section 5.3.2 for location of addressing). Addressing must be sharp and legible.

4.2 Cartridges: Contractor must reformat the furnished data cartridges to address a label, with a size of 4 x 1", and print at the rate of eight (8) lines per inch. The contractor will also be required to take the information from the furnished cartridges and format it to create an 11 digit Delivery Point Barcode. See Exhibit 2.

4.3 Unusable Cartridges: Cartridges received in unusable condition or out of ZIP code sequence will be replaced by IRS on an expedited basis. If the contractor has not reported any discrepancy to the Government, within five workdays after receipt of cartridges, it will be taken that none exists. The contractor may notify IRS Martinsburg Computer Center (MCC) of cartridges that are missing or need replacing. Call MCC Production Control Help Desk (304) 264-7501 and provide the following: Job Run File ID; Batch Cycle Group; Cartridge Number; and a brief explanation of the problem.

Section 5 - IMAGING TAX PAMPHLETS:

5.1 Furnished Cartridges: Contractor is responsible for taking the IRS raw data file and passing the file against the National Change of Address (NCOA) file using standard matching logic. The contractor will provide the IRS with magnetic cartridges containing incomplete addresses.

5.1.1 Undeliverables: Certain nixies should not be mailed.

- **NCOA nixies**, which consist of, G-flag/closed post office boxes, K-flag/no forwarding address, P-flag/Primary address not found on DSF and F-flag/foreign mail, will be taken out of the mailing.
- **True nixies**, which consist of a move type code (R, S, T) and one other nixie option code should not be mailed. The exceptions to the above would be when the move type code is accompanied by a single nixie code G, K, Q, U, in which case the IRS master file address should be used.
- **False nixies**, which have a move type code (R, S, T) plus 2 or more other nixie option codes **should be mailed** to the IRS master file address.

5.1.2 The furnished cartridges are raw unedited mail label record cartridges and will have to be formatted, at the contractor's expense. (See Exhibit 8). The raw data has been passed through finalist software.

5.1.3 Contractor must select the new move addresses from the mail file, verify the service center code of the new move addresses (making all necessary service center code corrections) using the furnished diskette, and merge the new move addresses back into the mail file. There are expected to be approximately 254,000 new move addresses of which approximately 1% will require correction of the service center code.

5.1.4 New Move Address Indicators: Image, on the "Taxpayer's Name and Address label", "#" symbols horizontally and vertically, to identify each new move address. Image at least 5 "#" symbols horizontally, with no space between the symbols, on the line above the check digit line (the check digit must be suppressed for all new move addresses), this is on the same line as the carrier route endorsement line (the carrier route endorsement line is suppressed. Image at least 4 "#" symbols vertically, to the left of the taxpayer's name and address. (See Exhibit 2).

5.2 Unusable Cartridges: Cartridges received in unusable condition, out of ZIP code sequence, or missing cartridges, will be replaced by IRS on an expedited basis. *If the contractor has not reported any discrepancy to the Government, within five (5) workdays after receipt of cartridges, it will be taken that none exists.* The contractor may notify IRS Martinsburg Computing Center (MCC) directly only if there is a physical problem with the cartridges or a cartridge shipment. Call MCC Production Control Help Desk (304) 264-7501 and provide the following: Job Run File ID; Batch Cycle Group; Cartridge Number; and a brief explanation of the problem. The GPO jacket number WILL appear on the shipping transmittal label which will always be in the last box of cartridges, if more than 1 box.

5.3 Imaging/Addressing: The imaging and addressing may be accomplished by either impact printers or non-impact printers.

5.3.1 IMAGING - Must meet the following requirements:

- (a) The size of the type must be at least *12 point* and the font may be Helvetica, Siemens Gothic Text, Siemens Essay Standard, Scitex Gothic International Medium, or Kodak Gothic. Any other must be approved before preproduction meeting.
- (b) Imaging must be black.

- (c) All characters must align.
- (d) No missing data or entries.
- (e) No duplicate data or entries.
- (f) Labels will have no more than 5 lines. (7 lines including carrier route line and delivery point barcode)
- (g) There will be a maximum of 39 characters per line and spaced 6 lines per inch vertically.
- (h) No broken characters.
- (i) No smearing.
- (j) No visible wicking.
- (k) No visible gloss.
- (l) Reflectance of characters shall be visually uniform across the whole label.

5.3.2 MAILING ADDRESS: Must meet all U.S. Postal Service requirements. The mailing address may be either at the top or parallel to spine, on the back cover. The contractor must reformat the cartridges to image the carrier route endorsement and literal, service center code, tax package code, name, address, city, state, and zip code plus the postal sack number, and break number (change indicator) in 6 lines (See Record Layout). The contractor will be required to take information from the furnished cartridges and format it to create an 11 digit Delivery Point Barcode. This Barcode is to be imaged below the last line of the address, in accordance the USPS Domestic Mail Manual It must be on all 3/5 digit and basic mail, and may print on carrier route mail.

5.4 Unique Number: The contractor is required to produce a unique number for each package, using their own equipment, so the contractor may retrieve and reproduce records for any unusable package or when pamphlets are pulled as QA Samples. If the unique number contains more than 10 characters it must NOT begin with 1800, 1877, 1888, or 1900. The unique number must not appear on any labels.

5.5 USPS Regulations: The contractor must comply with all U.S. Postal Service regulations governing the preparation of bulk rate mailings which are in effect at the time of the mailing, (or parcel post, for some bulk shipments), including the issuance of the required forms (mailing statements) and the weighing of shipments. The contractor is encouraged to meet with local postal authorities before the start of production.

5.5.1 The Domestic Mail Manual has specific requirements regarding the minimum and maximum package sizes and must be adhered to by all mailers.

5.6 Carrier Route Presort: Contractor must utilize a commercially prepared software package for assigning a portion of the mail file in an approved carrier route format (carrying carrier route endorsement and number on first line of the mailing address).

5.7 Presort Palletization: As outlined by the Postal Service in the Domestic Mail Manual, the carrier route presort Palletization program requires that individual pamphlets of ten or more pieces be prepared for carrier routes. This may take the form of pamphlets or pamphlets in bundles presented on pallets.

5.8 Internal Wrapping or Tying: All bundles containing mixed carrier routes or 3/5-digit ZIP codes require internal wrapping or tying in direct pamphlets of ten or more pamphlets. See Domestic Mail Manual for details.

5.9 Postal Pallets: The U.S.P.S. will make available nestable pallets upon contractor's request or contractor may use his own pallets, that meet postal requirements, at his own expense. Loaded pallets must be wrapped with a shrinkable or stretchable plastic strong enough to retain the integrity of the pallet during transportation and handling. Pallets must be prepared in accordance with the requirements in the Domestic Mail Manual for (Pamphlets and Bundles Presented on Pallets) and (Palletizing Sacks). See the DMM for preparation requirements for palletizing Standard Mail. Pamphlets must be palletized separately from sacks. The sack tags must be bar-coded and readable by USPS equipment. Further details on pallet loading and flagging may be obtained by consulting local Postal Customer Representatives, bulk mail acceptance personnel or RCC.

5.10 Identification Numbers: A Service Center Code and a Tax Package Code will appear on each Taxpayer's Name and Address label.

5.11 Security Letter: The contractor must guarantee that they, and any subcontractor's, will not reproduce, or allow reproduction of, the cartridges furnished by IRS, nor use or allow any person to use the cartridges or labels themselves for any other purpose than mailing the tax pamphlets. The contractor must FAX on company letterhead

(reference the GPO jacket number), to IRS @ 202-622-6629, a detailed report of the inventory and tracking system and the security measures to be taken to secure the IRS cartridges and any information output from them, throughout the period the contractor and/or subcontractor's have possession of taxpayer information. (See IRS Pub. 1075 "Tax Information Security Guidelines for Federal, State, and Local Agencies". A copy may be obtained either from the Internet by entering [HTTP://WWW.IRS.GOV](http://www.irs.gov), then click on forms and pubs, or from IRS by calling 1-800-829-3676), also (See Privacy Act Exhibit)

5.12 ZIP Code Count Listing: Contractor's software must provide 3-digit, 5-digit, and carrier route ZIP Code count listing cartridges for the contractor's use during the addressing operation. A copy must also be provided for the IRS resident coordinator.

5.13 Spoiled Tax Pamphlets: For each mail phase, the contractor must replace all spoiled imaged pamphlets. These pamphlets can go with the residual mail but must be accounted for with the IRS mail coordinator and/or mail listing.

5.14 IRS Resident Coordinator: One or more IRS representatives may be stationed at the contractor's and/or subcontractor's facility to provide project coordination in the receipt of cartridges, verification and organization of the address cartridges and labels, monitoring of the printing, binding, quality control sample selection and inspection, and monitoring of the labeling, packing, and staging of the tax pamphlets. These coordinators do not have contractual authority and cannot make changes in the specifications or contract terms but are to bring any and all defects they see to the attention of the company Quality Control Officer. These coordinators will have full and unrestricted access to all production areas where IRS work is being produced. The contractor will furnish office space to include a desk, telephone, personal computer with internet access to send and receive e-mail. Personal computer must be loaded with Adobe Acrobat 5.0, Microsoft Word and Microsoft Excel 97 for submitting reports. Access to a fax machine will also be required for the coordinators. This space will be in an enclosed, secure area adjacent to the binding/mailing operations. (Long distance charges will be reimbursed by the Government). Desk and telephone access is also required for a postal clerk during the turnover of pamphlets to the Postal Service.

5.15 Daily Production Report: The contractor will provide daily production information required to complete Report Form 9659. (See Exhibit 10) The coordinator will transmit this report every workday to IRS national Office via internet. In the absence of the coordinator, the contractor must transmit the report to Bernard.P.Morrison@irs.gov. All production data, etc., will be kept in strict confidence by the government.

5.16 Order of Addressing: May be affected by staging considerations.

Section 6 - Staging

6.1 Loaded pallets must be assembled and stored "staged" for eventual turn over to U.S. Postal Service beginning no sooner than the date specified in the Schedule. The pallets are to be staged in an order so that the furthest destinations will be turned over first and the closest destinations last.

6.2 Location of Staging Area and Point of Entry: Contractor will specify in his bid the location of his staging area/areas and his proposed point of entry/entries for the tax package mail. (See Offers Section)

Section 7 - MAIL TURNOVER TO POSTAL SERVICE

7.1 Standard Mail: The Postal Service will verify the total weight of the mailing. The contractor must comply with all Domestic Mail Manual (DMM) regulations governing use of Standard Mail (or parcel post, for some bulk shipments), except for the following:

7.1.1 The IRS will obtain the USPS bulk mail permit for this mailing. It is mandatory for the contractor to complete the "Federal Agency Cost Code" block on all USPS mailing statements. The agency cost code for the IRS permit imprint is 67039.

7.2 USPS Plant-Verified Drop Shipments: The contractor will be required to drop ship all mailed quantities directly to the BMCs and SCFs, and to accomplish this, must prepare and implement a detailed plant-verified drop shipment plan, the cost of which must be included in the contractor's total bid price; a separate charge will not be allowed for any administrative costs for preparing and implementing the drop shipment plan.

On or before the date in the schedule, the contractor MUST submit its detailed plant-verified drop shipment plan for direct shipments to the BMCs and SCFs. The detailed plan must be submitted to the GPO and must be basically in the format shown in Exhibit 8 to show the piece count, approximate weight, postal savings, freight charges, net savings, and number of transit days for each shipment.

Due to the IRS's 100% delivery requirement, Optional Mail procedures that do not weigh pallets of mail are not allowed or authorized.

Reimbursement for the actual freight costs will be made from copies of the commercial carrier freight bills that must be submitted with the contractor's invoice, and each freight bill must show the shipping cost and weight of the shipment." If the contractor utilizes a freight consolidator, payment will be made with the submission of the contractor's invoices showing actual charges to the contractor. Reimbursed freight costs will not be subject to any "prompt payment discounts. The contractor must provide the scheduled dates for dropping at the BMC's and SCF's. Contractor must include copies of the USPS form 8125 that have been signed at the recipient destination along with their freight bills and invoices or furnish a Track/Trace report showing the appointment dates and USPS confirmation numbers. Freight charges must not exceed those in the submitted drop shipment plan, except for allowable fuel surcharges.

Submit drop shipment plan to: U.S. Government Printing Office, Stop PPP, Room C817, 27 G STREET NW, WASHINGTON, D.C. 20401. The container and accompanying documentation must be marked Attention IRS Desk, DROP SHIPMENT PLAN and must include the GPO jacket number.

7.3 Vehicles Provided: For material not covered under the drop shipment plan or if the drop shipment plan is not accepted, truck/trailers (vans) will be provided by U.S. Postal Service. However, physical loading is contractor's responsibility, in conformance with the U.S. Postal Service loading plan. Vans will not be provided before earliest turnover date as indicated in schedules without demurrage costs.

7.4 Special handling instructions for the Alaska (est. 18,000 copies) and Hawaii (est. 58,000), which are part of Fresno and Ogden service centers. The contractor must separate these addresses from their respective Service Centers and release them in accordance with the date in the schedule. Contractor must provide transportation so pamphlets deliver no sooner than December 20, 2004 and no later than January 03, 2005.

7.5 GUARANTEED MAXIMUM WEIGHT OF PAMPHLET: Contractor must submit, with his bid, the guaranteed maximum weight of the product he proposes to furnish based on the dimensions and paper options he elects. The weight of the package must be calculated to one thousandth of an ounce (.0001 oz.). (See Offers Section) This weight will be used for bid evaluation purposes. Transportation charges for bulk shipments and postal costs for mailing will be evaluated and considered as elements in the "lowest cost to the Government" award process. If the delivered pamphlets exceed the guaranteed maximum weight, the contract price shall be reduced by an amount equal to the difference between the transportation and/or mail costs computed for evaluation purposes based on offeror's guaranteed maximum shipping weights and the transportation and/or mail costs that should have been used for evaluation purposes based on correct weight data.

Section 8 - Bulk Shipments and Bulk Packing (Ship f.o.b. contractor's city)

8.1 Bulk Shipments: Contractor will prepare and ship or mail certain bulk quantities of pamphlets as shown in Exhibit 1. These bulk shipments will be unlabeled pamphlets and must be cartoned, labeled, and palletized (if necessary).

8.1.1 Electronic Daily Shipping Report: The print contractor is required to complete and e-mail Form 2040 daily to the IRS when shipping begins. Form 2040 is in a PDF fillable Adobe Acrobat 5.0 file format. The majority of the information will be included in the report from the IRS to the contractor but the contractor is responsible for the verification and correctness of information supplied back to IRS. If there is any information missing or incorrect, please contact Paul Morrison on (202) 622-7264.

The contractor ***must*** update the Electronic Form 2040 (See Exhibit3) and transmit via e-mail to IRS each day the product ships. **Any delay or missed input could result in delay of payment.**

8.2 Cartons: Contractor to furnish all cartons for bulk shipments. Cartons to be corrugated or solid fiber shipping containers, 200 p.s.i. minimum bursting strength. Bottom flaps may be glued, stapled, or sealed with polyester tape (2 to 3") width, minimum 12 kNm (65 lbs./inch) transverse tensile strength. If stapled, cartons must be stapled before packing and without damage to pamphlets. Cartons to be sealed at top with 51 to 76 mm (2 to 3") paper or polyester tape (not reinforced). Approximate carton size is 17-1/2 x 11-1/2 x 8". Contractor will determine exact dimensions in accordance with size of pamphlets.

8.2.1 Pack 130 copies per carton in 2 stacks with full size corrugated boards on top and bottom of stack. Cartons used for bulk shipments require a carton label. (See Exhibit 4)

8.3 IRS PALLETS: Pallets must be type III and must conform with Federal Specifications NN-P-71C, and any amendments thereto except for dimensions (as shown in Exhibit 5) and single center stringer. Full entry must be on the 40" width. Cartons shall be stacked on pallets with a maximum height of 55", including pallet. Strict adherence to these dimensions is necessary to accommodate the storage requirements of IRS distribution centers. Receipt of incorrect pallets may result in a charge for each incorrect pallet which will be assessed against the contractor. This charge will cover additional costs incurred by IRS to repalletize the shipment onto correct pallets. Do NOT use metal strapping or pallet caps for securing material on pallets. There must be no more than one partial pallet per destination.

8.3.1 Cartons shall be stacked on pallets using a reverse layer pattern, 9 cartons per layer. (See exhibit 5). Cartons must be fastened securely to the pallet in a manner that will prevent movement during transmit but permit ready removal, without damage to the cartons, at destination.

8.4 Bills of Lading: The Government will furnish Government bills of lading for bulk shipments and furnish permit imprint labels and/or set up a small package carrier account for consignments of less than 750 lbs. Shipments up to 750 lbs. will ship small package carrier.

Section 9- QUALITY SYSTEMS

9.1 Quality Systems: The prime contractor shall initiate, prior to start-up and maintain throughout the life of this contract, Quality Systems to assure conformance to all requirements of this contract. The Quality Systems should be documented in a Quality Systems Plan. The plan should also address what actions will be initiated when defects are detected.

9.1.1 The Quality Systems shall assure the quality of components from subcontractors and subsidiary plants. This element includes assuring that components from different sources will be compatible BEFORE the start of production.

9.1.2 The Quality Systems shall include procedures for assuring that all-variable data is accurately and completely printed and that all addressed items are mailed. These procedures shall explicitly describe the methods to be used to assure that no records are missed or duplicated when an interruption of variable printing occurs (e.g., due to equipment malfunction).

9.2 Quality Systems Official: The prime contractor shall designate an official who shall monitor and coordinate the quality system. This official shall serve as the Government's single point of contact on quality matters during the life of the contract. The name of the official shall be provided in the plan along with title, position, and telephone number.

9.3 Records of tests, inspections, and critical process controls shall be time stamped and maintained on file. The records must be made available to the GPO and/or IRS inspector until the expiration of the warranty period of this contract. Copies of the forms used to record the inspections and test results shall be submitted with the plan.

9.3.1 All Quality control samples must be produced at no additional cost to the Government.

9.4 Inspection by the Government: The right of the Government to make general or specialized tests and inspections DOES NOT RELIEVE THE CONTRACTOR OF ANY RESPONSIBILITY.

9.4.1 Performance of all elements and functions of the Quality Systems shall not relieve the contractor of responsibility for meeting all requirements in this contract.

9.5 Quality Systems Plan: The prime contractor shall submit, in duplicate, written outline plans of the Quality Systems and copies of the forms by the date in the schedule in Section 1. The plans shall be submitted to the Contracting Officer, US Government Printing Office, Stop PPP, Room C-817, Attention: IRS Control Desk, 27 G St. NW, Washington, DC 20401. The proposed Quality Systems Plans are subject to Government approval.

9.6 QUALITY ASSURANCE LEVELS AND STANDARDS: The following levels and standards, per GPO Publication 310.1, shall apply to these specifications:

Product Quality Levels:

- (a) Printing Attributes -- Level IV.
- (b) Finishing Attributes -- Level IV.

Inspection Levels (from ANSI/ASQC Z1.4).-

- (a) Non-destructive Tests - General Inspection Level I.
- (b) Destructive Tests - Special Inspection Level S-2.

Specified Standards. - The specified standards for the attributes requiring them shall be:

| <u>Attribute</u> | <u>Specified Standard</u> |
|----------------------------------|---------------------------|
| P-7. Type Quality and Uniformity | O.K. Press Sheets |

Special Instructions: In the event that inspection of the press sheets is waived by the Government, the following listed alternate standards (in order of precedence) shall become the Specified Standards.

P-7. Furnished camera copy/electronic media.

9.7 Compliance: To monitor compliance with the pamphlet production specifications, one or more quality assurance inspections of the pamphlets may be conducted by Government Printing Office and/or Internal Revenue Service personnel.

Section 10 - PRODUCTION SAMPLES

NOTE: The copies included in A, B, and C are to be considered sample copies and will not be included in the quantity ordered and may not be included in the quantity billed. Shipping of these samples is to be at the contractors expense, and must be sent by a traceable means. NOTE: All live imaged samples must be replaced as soon as practicable to ensure that the full quantity is delivered by the completion date.

A. QUALITY ASSURANCE RANDOM COPIES - The contractor MUST submit 200 quality assurance addressed pamphlets, at the completion of production, to test for compliance against specifications. The contractor must divide their entire order into equal sublots and select 1 copy from a different general area of each subplot. The contractor will be required to execute the "Certificate of Selection of Random Copies", furnished by GPO, certifying that copies were selected as directed.

These randomly selected copies must be packed separately and identified by a special Government-furnished Pink label, affixed to each affected container. Additional labels, if needed, are to be reproduced on Pink stock. The container and its contents shall be recorded separately on all shipping documents and sent to U.S. Government Printing Office, Printing Procurement, Stop: PPSQ, Room A-843, Quality Assurance Section, North Capitol & H Sts. NW, Washington, DC 20401.

Submit a copy of the SPECIFICATIONS and the signed Government-furnished "Certificate of Selection of Random Copies", along with the Quality Assurance Random Copies.

B. Ship or mail the first 240 completed pamphlets (220 unaddressed and 20 addressed) at contractor's expense, by an

overnight delivery service as follows:

10 copies unaddressed and - Internal Revenue Service
10 copies addressed Attention: Paul Morrison, SE:W:CAR:MP:P:B:T
1111 Constitution Ave. NW, Room 6230
Washington, DC 20224

200 copies unaddressed - Internal Revenue Service
Attn: Ron Gamble, SE:W:CAR:MP:P:F
1111 Constitution Ave. NW
Washington, DC 20224

10 copies unaddressed and - Internal Revenue Service
10 copies addressed Attention: Paul Dangel, SE:W:CAR:MP:P:B
1111 Constitution Ave. NW, Room 6230
Washington, DC 20224

The following information to be used for labeling/addressing samples:

[include carrier route endorsement & literal]
JAMES A & ANDREA A TAXPAYER
16305 Main Avenue NW
ANYTOWN US 99999-9999
[include delivery point barcode]

C. PAMPHLET SAMPLES: Ship or mail 2 pamphlets, (unaddressed), to: U. S. Government Printing Office, Stop PPP, Room C-817, Attention I.R.S. Desk, 27 G Street, NW, Washington, DC 20401.

Section 11 - OFFERS (BIDS)

Offers must include the cost of all materials and operations for the total quantity ordered in accordance with these specifications.

NOTE: Contractor must provide an e-mail address for receiving electronic files to Bernard.P.Morrison@irs.gov within 5 days of award. Contractor must include the Jacket Number with the e-mail address.

BILLING ADJUSTMENTS DUE TO SCHEDULED QUANTITY CHANGES (+ or -) AND THE SUBTRACTION OF UNDELIVERABLES WILL BE AT THE CONTRACTOR'S "ADDITIONAL RATE". Prices for these "ADDITIONAL RATES" must be based on a continuing run and must be exclusive of all preliminary charges, and will not be a factor in determining award. Bidder MUST submit a price for each line item under "Additional Rate" Section. If an entry of NC (No Charge) is entered it shall be held the bidder intends to furnish those individual items at no charge to the Government. NA (Not Applicable) should be entered if a line item will not be used.

Transportation and/or mail costs will also be used as a factor in the basis of award.

Bidder must state in the bid, location (city and state) of the plant(s) from which this product will be shipped. If shipment is not made from evaluation point, contractor will be responsible for any additional shipping costs incurred.

11.1 Printing and binding 383,210 pamphlets; labeling/addressing, sorting, staging, and turnover for mailing of 331,431 pamphlets; and packing 51,779 pamphlets for bulk shipments.

.....\$ _____

The bidder must state the cost for preparing and implementing the drop shipment plan included in the total bid price above\$ _____

11.2 Prices for additional quantities.
RATE

"ADDITIONAL

(A price MUST be submitted for each line)

11.2.1 Printing & binding pamphlets (56 pages).....per 1,000...\$ _____

11.2.2 Labeling/Addressing of pamphlets.....per 1,000...\$ _____

11.2.3 Packing, storing, staging and turnover of mailper 1,000...\$ _____

11.2.4 Packing pamphlets for bulk shipment.....per 1,000...\$ _____

11.2.5 Palletizing (including loading and wrapping).....per pallet.....\$ _____

11.2.6 Passing records through NCOA.....per 1,000..\$ _____

11.4 Finished trim size the contractor proposes to furnish for the pamphlets. ____ x ____ ".

11.5 Guaranteed maximum weight of pamphlet to (.0001 pound): _____

11.5.1 If the offeror fails to state a guaranteed maximum weight for the package as requested, the Government will use the estimated weight of (.1563 lb.) per pamphlet, for bid evaluation; and the Contractor agrees this will be the basis for any reduction in contract price as provided in Section 7.5.

11.6 Name, address, and phone number of subcontractors, if any, and what they will perform on this contract.

Bindery - _____

NCOA Licensed Vendor - _____

11.7 Location of Staging Area: City _____ State _____

11.8 Point of entry for mail pamphlets (Standard Mail):

City _____, State _____ Zip Code _____

Bidder must fill out and sign this page of these specifications and return it attached to GPO Form 910.

SUBMIT WRITTEN BIDS TO: U.S. Government Printing Office, Bid Section (PPSB), 45 G Street NW, Room B-104, Washington, DC 20404.

FACSIMILE BIDS are permitted. Submit facsimile bids to FAX No. 202-512-1782, one bid per facsimile. Refer to Solicitation Provisions in GPO Contract Terms (GPO Pub. 310.2), Page 1, Paragraph 6.

Name of Firm

Signature of Bidder

